

REMARKS

Claims 1-48 are pending in the present application. By this Response, claims 15, 18, 28, 37, and 47 are canceled. Claims 14, 17, 27, 36, and 46 are amended to include features of canceled claims 15, 18, 28, 37, and 47 respectively. Claims 16, 19, 29, 38, and 48 are amended to be consistent with the amendments to their respective independent claims and with the cancellation of claims noted above. No new matter is added as a result of the above amendments. Reconsideration of the claims in view of the above amendments and the following remarks is respectfully requested

I. 35 U.S.C. § 102(e), Alleged Anticipation, Claims 1-48

The Office Action rejects claims 1-48 under 35 U.S.C. § 103(a) as being allegedly anticipated by Shkedy (U.S. Patent No. 6,260,024 B1). However, based on the heading and the content of the rejection, it is assumed that the rejection should be under 35 U.S.C. § 102(e). This rejection is respectfully traversed.

As to claims 1, 2, 3, 5, 20-22, 24, 26-32, 34, 36-41, 43, and 45-48, the Office Action states:

As per claims 1, 2, 3, 5, 20-22, 24, 26-32, 34, 36-41, 43, and 45-48 Shkedy discloses a global bilateral buyer-driven system for creating binding contracts by incorporating various methods of communication, commerce and security for the buyers and the sellers, comprising: a computer for storing at least one compilation of business rules comprising a plurality of rules available to selected for inclusion in the contract (see., abstract, col 3, lines 39-57, specifically wherein it is stated that buyers and sellers purchase requirements or plurality of rules); storing at least one terms and conditions set containing parameters corresponding to selected rules from the compilation of business rules (see., abstract, figs 2 and 3, col 2, lines 1-9, col 5, lines 32-67, specifically binding agreement or terms and conditions); generating links between the compilation of business rules and the terms and conditions set to generate specific terms and conditions to be embodied in the contract (see., col. 5, lines 7-60, fig 5, specifically binding agreement or terms and conditions); interlocking the compilation of business rules, the terms and conditions set and the links to lock the contract (see., col 7, lines 26-42, specifically pre-negotiate a supply contract with a major supplier).

Office Action dated October 1, 2003, pages 3.

Independent claim 1, which is representative of independent claims 7, 20, and 39 with regard to similarly recited subject matter, reads as follows:

1. A system for generating a contract between at least one seller and at least one buyer, comprising
a computer for:
storing at least one compilation of business rules comprising a plurality of rules available to be selected for inclusion in the contract,
storing at least one terms and conditions set containing parameters corresponding to selected rules from the compilation of business rules,
generating links between the compilation of business rules and the terms and conditions set to generate specific terms and conditions to be embodied in the contract, and
interlocking the compilation of business rules, the terms and conditions set and the links to lock the contract.
(emphasis added)

A prior art reference anticipates the claimed invention under 35 U.S.C. § 102 only if every element of a claimed invention is identically shown in that single reference, arranged as they are in the claims. *In re bond*, 910 F.2d 831, 832, 15 U.S.P.Q.2d 1566, 1567 (Fed Cir. 1990). All limitations of the claimed invention must be considered when determining patentability. *In re Lowry*, 32 F.3d 1579, 1582, 21 U.S.P.Q.2d 1031, 1034 (Fed Cir. 1994). Anticipation focuses on whether a claim reads on the product or process a prior art reference discloses, not on what the reference broadly teaches. *Kalman v. Kimberly-Clark Corp.*, 713 F.2d 760, 218 U.S.P.Q. 781 (Fed. Cir. 1983). Applicants respectfully submit that Shkedy does not teach every element of the claimed invention arranged as they are in claims 1, 7, 20 and 39. Specifically, Shkedy does not teach storing at least one compilation of business rules for inclusion in the contract, storing at least one terms and conditions set containing parameters, generating links between the compilation of business rules and the terms and conditions set to be embodied in the contract, and interlocking the compilation of business rules, the terms and conditions set and the links to lock the contract.

The present invention provides a system for automating the contract negotiation and preparation cycle, and for electronically facilitating subsequent contractual activities executed pursuant to the contract. The system generates a contract between a seller and a buyer comprising a Business Rules Book (BRB) maintained by the seller, which contains a set of specific rules selected for inclusion in the contract. The seller selects a terms and

conditions set from a plurality of stored terms and conditions sets, each representing a unique set of instances of rules selected from the BRB. The seller and the buyer settle the provisions of the contract by agreeing to a mutually acceptable terms and condition sets. The buyer convey product needs to the seller and the seller creates a product list filter specific to the buyer. The BRB, terms and conditions set and product list filter are linked in a contract profile, to create a contract representing agreement between the buyer and the seller, and the contract is locked to prevent unilateral amendment by either party (Summary).

Shkedy teaches a buyer-driven system for creating binding contracts by incorporating various methods of communication, commerce and security for the buyers and the sellers. A central controller facilitates the buyer/seller transaction by fielding binding offers from buyers, aggregating those offers into group (i.e. pooled) offers and communicating those group offers globally in a format which can be efficiently accessed and analyzed by potential sellers. This system can also effectuate performance of resulting contracts, resolve disputes arising from those contracts, and maintain billing, collection, authentication, and anonymity (Abstract).

However, Shkedy does not teach storing at least one compilation of business rules comprising a plurality of rules available to be selected for inclusion in the contract as recited in independent claim 1. The Office Action alleges that Shkedy teaches these features at the Abstract, which is summarized above, and column 3, lines 39-57, which reads as follows:

In one aspect of the invention, a method for using a computer acting as an intermediary to facilitate a transaction between a plurality of buyers and at least one seller comprises the steps of: a buyer determining an item or server to be purchased, the buyer inputting a conditional purchase order to a central controller (i.e. intermediary party) for the item or service, receiving a maximum offer price in response to the conditional purchase order from the central controller. If the buyer accepts the maximum offer price, the buyers' conditional purchase order is combined into a pooled purchase order with other buyers. The pooled purchase order is then made available to sellers to bid on. Any sellers interested in the pooled purchase order will submit a bid including a bid price that is responsive to the conditional pooled purchase order, including the maximum offer price. A seller will be selected whose bid is the best, e.g. lowest price. Payment can be provided by the intermediary to the seller having the lowest bid.

In the above section, Shkedy teaches a pooled purchase order that is used to allow buyers to accept a maximum offer price prior to making the bid available to the sellers. However, nowhere in the above section does Shkedy mention anything about rules, business rules, or a compilation of business rules. Shkedy merely teaches a central controller that act as an intermediary for facilitating bids of pooled purchase order. The sellers may bid on the pooled purchase order responsive to the maximum offer price. No business rules are compiled for the transaction by the sellers for inclusion in a contract. only a maximum offer price is required for inclusion in an offer. Thus, Shkedy does not teach a compilation of business rules as recited in claim 1.

In addition, Shkedy does not teach storing at least one terms and conditions set containing parameters corresponding to selected rules from the compilation of business rules, as recited in claim 1. The Office Action alleges that Shkedy teaches these features in the following sections:

The buyer selects the particular item he wishes to purchase, adds any conditions he wishes to place on the purchase and specifies a price at which he will purchase. He then transmits this conditional purchase offer to a central computer. Suppliers then search a list of conditional purchase offers and select the ones they are willing to bind. In effect, the site owner provides a mechanism for binding the buyer and seller to an electronic contractual agreement.
(Column 2, lines 1-9, Shkedy)

A typical buyer created forward purchase order, FPO 100, could, for example, specify that the buyer wishes to purchase two dozen BIC medium point black roller ball pens and one dozen BIC medium point blue roller ball pens. The buyer would also specify that he wants to participate in the Friday Nov. 6, 1998 at 12pm EST pool, and need the goods delivered no later than Tuesday Nov. 10, 1998. Instead of specifying a delivery date, a buyer could optionally be satisfied with the earliest possible delivery date for the item or service in question. Alternatively, the buyer could have also used a catalog to determine the item number.

At step 54, the central controller 200 determines a maximum offer price for the submitted FPO 100 and transmits that price back to the buyer. The central controller 200 may add legal language to the FPO 100 to make it explicit to the buyer that should the buyer accept the maximum offer price he will be entering into a binding agreement. Step 56 is a determination step for the buyer 16 to decide whether he is willing to accept the maximum offer price provided by the central controller 200. If not, the FPO 100 creation process terminates at step 58. Otherwise, if the buyer accepts the maximum offer price his FPO 100 will be included in the pool purchase order at step 60 by transmitting his intention to accept to the central controller 200. The buyer has now consented to entering into

a legally binding contract with the intermediary and will accept the best price that the intermediary determines in the bidding process subject to the condition that the buyer will pay no more for the item or service than the stipulated maximum offer price.

At step 62, before adding the FPO 100 to a PPO 110, the central controller 200 authenticates the buyer's identification number against a buyer database. The central controller 200 may require that the buyer provide a credit card number and may also ensure that the buyer has sufficient credit available to cover the purchase price specified in the FPO 100 by contacting a credit card clearing house. (Column 5, lines 32-67, Shkedy)

However, none of the above sections of Shkedy teaches or suggests a terms and condition set containing parameters corresponding to selected rules, as recited in claim 1. While Shkedy teaches that a buyer may specify conditions on a purchase order, such as a purchase price, quantity, pool date, and a delivery date, these elements do not compose a terms and conditions set corresponding to selected rules from a compilation of business rules, as recited in claim 1. The terms and condition set of the present invention are specific instances of business rules that may be used to prepare a contract. Thus, the terms and condition set represents conditions on a contract, not conditions on a purchase order. Thus, none of the above sections of Shkedy, or any other sections of Shkedy, teaches these features.

In addition, Shkedy teaches that the central controller may add legal language to the forward purchase order to make it explicit to the buyer that should the buyer accept the maximum offer price he will be entering into a binding agreement. This is similar to the prior art approach described on page 5, lines 1-7 of the current specification, wherein the terms and conditions are currently pre-written into the contract document, which limits the flexibility of the contract and requires skilled programmers to make the revisions. The present invention solves this problem with the terms and condition set being selected rules from a compilation of business rules. In this way, various contracts may be generated based on the same compilation of business rules by selecting different ones of these business rules. Contrary to the present invention, Shkedy fails to solve the problem since Shkedy does not teach a terms and conditions set containing parameters corresponding to selected rules from a compilation of business rules.

Furthermore, Shkedy does not teach generating links between the compilation of business rules and the terms and conditions set to generate specific terms and conditions

to be embodied in the contract as recited in claim 1. The Office Action alleges that Shkedy teaches these features in Figure 5 and at column 5, lines 7-60, specifically binding agreements or terms and conditions. However, Shkedy only teaches in the above section steps required for a buyer to setup a purchase order for bidding by the sellers. Nowhere in the above sections, or any other section, of Shkedy is generating links between a compilation of business rules and a terms and conditions set taught. There is no mention in Shkedy of business rules and terms and conditions for a contract or relations between the two for generating a specific terms and conditions to be embodied in the contract. Thus, Shkedy does not teach these features as recited in claim 1.

In addition to the above, Shkedy does not teach interlocking the compilation of business rules, the terms and conditions set and the links to lock the contract. The Office Action alleges that these features are taught by Shkedy at column 7, lines 26-42, which reads as follows:

In another embodiment of the present invention, the intermediary could pre-negotiate a supply contract with a major supplier, prior to forming the buyer pool. Prospective buyers could view the pre-negotiated contract as a criterion for deciding whether or not they wish to participate in the pool. The pre-negotiated seller contract terms would be automatically available to any individual who joins the pool. In this embodiment, the intermediary pre-negotiates a contract with a seller such as an office supply company whereby the terms of the contract specify that the office supply company would beat any published competitors price and provide an additional 5% discount to the collective buyer pool on condition that the intermediary (i.e. collective buyer pool) exclusively purchase supplies from them for a whole year. Under this scenario, the pool is unconditionally guaranteed an up-front cost savings.

The Office Action pointed out in the above section, the pre-negotiated supply contract with the major supplier teaches interlocking the compilation of business rules, the terms and conditions set and the links to lock the contract. However, Shkedy merely teaches a pre-negotiated contract with terms and conditions statically specified in the contract prior to forming a buyer pool, in order to attract collective buyer pool. As described above, Shkedy does not teach a compilation of business rules or a terms and condition set. Therefore, Shkedy does not teach interlocking the compilation of business rules and terms and condition sets. In addition, Shkedy does not teach links to lock the contract. The contract is locked when no amendments are allowed to be made by either

the buyer or the seller. Nowhere in the above section does Shkedy teach that the pre-negotiated supply contract is locked from amendments by either party. Shkedy only teach that the pre-negotiated contract is available to be viewed by prospective buyers. Thus, Shkedy does not teach links to lock the contract as recited in independent claim 1.

In view of the above, Applicants respectfully submit that Shkedy does not teach each and every feature of independent claim 1 as is required under 35 U.S.C. § 102(e). The other independent claims 7, 20, and 39 recite similar features that are also not taught by Shkedy.

Therefore, Applicants respectfully submit that Shkedy does not teach each and every feature of claims 1, 7, 20, and 39. At least by virtue of their dependency on claims 1, 7, 20 and 39, respectively, Shkedy does not teach each and every feature of dependent claims 2-6, 8-13, 21-26, and 40-45. Accordingly, Applicants respectfully request withdrawal of the rejection of claims 1-6, 7-13, 20-26, 39-45, under 35 U.S.C. § 102(e).

In addition, Shkedy does not teach the specific features recited in dependent claims 2-6, 8-13, 21-26, 40-45. For example, with regard to dependent claim 4, which is representative of similarly recited subject matter in claims 23, 33 and 42, Shkedy does not teach the contract comprises dynamic elements which can be unilaterally altered by either the seller or the buyer. The Office Action alleges that Shkedy teaches these features in the Abstract and at column 7, lines 26-42 of the reference, which is reproduced above. To the contrary, Shkedy teaches the opposite of features recited in claim 4. The elements in the supply contract of Shkedy, such as the discount rate, are static, as opposed to dynamic elements as recited in claim 4. An example of dynamic elements in the present invention is a produce list filter that is updated automatically as the product catalog is updated. Moreover, in the above section, Shkedy teaches a pre-negotiated contract which is created prior to forming a buyer pool. Buyers are only allowed to view the contract and decide whether to accept the contract as a condition of joining the pool. Thus, the buyers are not allowed to alter elements of the contract dynamically. In addition, there is no mention in the above sections of allowing the seller to alter the pre-negotiated contract dynamically. Therefore, not only Shkedy fails to teach dynamic elements in the contract, Shkedy also fails to teach dynamic elements can be unilaterally altered by either the seller or the buyer.

With regard to dependent claim 6, which is representative of claims 25, 35 and 44, Shkedy does not teach that the contract is locked by the implementation of digital signature. The Office Action alleges that this feature is taught by Shkedy in Figures 2, 12, 14 and at column 22, lines 46-67 specifically signature keys, which reads as follows:

FIG. 14 shows a cryptographic technique using digital signatures to provide authentication and manage integrity. One such algorithm is DSA (Digital Signature Algorithm) uses U.S. Government standard specified in FIPS PUB 186. As in the asymmetric protocol described above each seller has an associated public and private key. The seller signs seller bid 115 with his private key at step 1400 with cryptographic processor 210 extracts the seller ID at step 1420 and looks up the seller's public key at step 1430 verifying the signature using seller bid 115 and the public key of the seller at step 1440. If seller bid 115 is intelligible, then central controller 200 accepts seller bid 115 as authentic at step 1450.

In the above section, Shkedy teaches the use of digital signatures to authenticate the seller's bid. By using a private key to encode the message and a public key to decode the message, Shkedy teaches how a seller's bid may be verified. However, Shkedy does not teach using digital signature for locking the contract as recited in claim 6. Locking the contract prevents either the buyer or the seller from amending the mutually agreed contract. Thus, Shkedy's use of digital signature to encode and decode message to obtain the seller's bid is not the same as the use of digital signature to lock the contract as recited in claim 6.

Thus, in view of the above, Applicants respectfully submit that Shkedy does not teach each and every specific feature recited in the dependent claims in addition to the features of their respective independent claims. Accordingly, Applicants respectfully request withdrawal of the rejection of dependent claims 2-6, 8-13, 21-26, and 40-45 under 35 U.S.C. § 102(e).

Furthermore, Shkedy does not teaches the specific features of independent claim 14, which is representative of claims 17, 27, 36 and 46 with regard of similarly subject matter. Particularly, Shkedy does not teach a communication interface for receiving information from one of the seller and the buyer, wherein the communication interface displays selected information based on terms and conditions in the contract. While Shkedy allows information, such as a price, to be placed on a pooled purchase order as described in the above sections, Shkedy

does not teach such information is selected based on terms and conditions set. To the contrary, Shkedy teaches allowing all information to be placed on the pooled purchase order, as opposed to selected information based on the terms and conditions set.

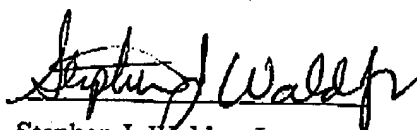
Therefore, Applicants respectfully submit that Shkedy does not teach each and every feature of claims 14, 17, 27, 36, and 46. At least by virtue of their dependency on claims 14, 17, 27, 36 and 46, respectively, Shkedy does not teach each and every feature of dependent claims 15-16, 18-19, 28-29, 37-38, 47-48. Accordingly, Applicants respectfully request withdrawal of the rejection of claims 14-19, 27-29, 36-38, 46-48 under 35 U.S.C. § 102(e).

II. Conclusion

It is respectfully urged that the subject application is patentable over Shkedy (U.S. Patent No. 6,260,024 B1) and is now in condition for allowance. The Examiner is invited to call the undersigned at the below-listed telephone number if in the opinion of the Examiner such a telephone conference would expedite or aid the prosecution and examination of this application.

Respectfully submitted,

DATE: December 31, 2003



Stephen J. Walder, Jr.
Reg. No. 41,534
Carstens, Yee & Cahoon, LLP
P.O. Box 802334
Dallas, TX 75380
(972) 367-2001
Attorney for Applicants

SJW/im